

NECA SPECIAL ACCESS DATA

	1995 TRP data 7/95 to 6/96			2003 TRP data 7/03 to 6/04			Price cap simulation 7/03 to 6/04		
	<u>Rates</u>	<u>Demand</u>	<u>Revenue</u>	<u>Rates</u>	<u>Demand</u>	<u>Revenue</u>	<u>7/03 rates</u>	<u>demand</u>	<u>revenue</u>
Special - Voice grade									
2-wire channel term.	\$38.25	79,576	\$3,043,782	\$41.71	32,704	\$1,364,083	\$29.05	32,704	\$950,179
4-wire channel term.	\$61.21	230,076	\$14,082,952	\$66.74	70,821	\$4,726,607	\$46.49	70,821	\$3,292,739
Channel mileage term.	\$27.38	268,323	\$7,346,684	\$29.86	71,494	\$2,134,796	\$20.80	71,494	\$1,486,880
Channel mileage facility	\$2.73	1,598,396	\$4,363,621	\$2.97	969,234	\$2,878,625	\$2.07	969,234	\$2,009,853
Non-recurring	\$171.00	355	\$60,705	\$230.00	45	\$10,272	\$129.89	45	\$5,845
Special - High capacity									
Channel term.	\$198.94	30,612	\$6,089,951	\$178.63	539,826	\$96,429,118	\$151.11	539,826	\$81,573,451
Channel mileage term.	\$116.34	37,420	\$4,353,443	\$95.34	463,357	\$44,176,456	\$88.37	463,357	\$40,946,588
Channel mileage facility	\$25.10	251,407	\$6,310,316	\$19.34	4,626,232	\$89,471,327	\$19.07	4,626,232	\$88,201,111
Non-recurring	\$232.00	616	\$142,912	\$251.00	7,838	\$1,967,238	\$176.22	7,838	\$1,381,231
Total Voice grade & Hi cap			\$45,794,366			\$243,158,522			\$219,847,876
Revenue requirement factor			99.85%			90.41%			
Voice grade & Hi cap rev. req.			\$45,726,792			\$219,847,876			
Total Special Access revenue			\$56,666,096			\$383,059,508			

GDP-PI data and price cap adjustments:

	<u>4Q94</u>	<u>4Q95</u>	<u>4Q96</u>	<u>4Q97</u>	<u>4Q98</u>	<u>4Q99</u>	<u>4Q00</u>	<u>4Q01</u>	<u>4Q02</u>
GDP Price Index (1996 = 100)	96.74	98.79	100.63	102.49	103.69	105.31			
GDP Price Index (1996 = 100)						98.475	100.687	103.078	104.571
% GDP-PI increase		2.12%	1.86%	1.85%	1.17%	1.56%	2.25%	2.37%	1.45%
	<u>7/1/96</u>	<u>7/1/97</u>	<u>7/1/98</u>	<u>7/1/99</u>	<u>7/1/00</u>	<u>7/1/01</u>	<u>7/1/02</u>	<u>7/1/03</u>	
X-factor	6.05%	6.05%	6.05%	6.05%	6.05%	6.05%	6.05%	6.05%	6.05%
Exogenous cost adjustment (Z)	-0.15%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.1663%	0.00%
Price cap adjustment (1+%GDPPI-X+Z)	95.92%	95.81%	95.80%	95.12%	95.51%	96.19%	103.49%	95.40%	

Notes:

Special access data obtained from NECA TRP filings, RORREV-1, lines 350-440.

GDP Price Index data from U.S. Department of Commerce, Bureau of Economic Analysis, Table 1.1.4, Line 1 (<http://www.bea.doc.gov/bea/dn/nipaweb/TableView.asp>).

The impact of the TIC reallocation was a 7.1663% increase in special access revenue requirements in 2002, based on a \$13.052 million impact on a revenue base of \$182.130 million. See Table 61.38 ACR-1 in NECA's 6/17/02 TRP (Transmittal 939).

EARNINGS DATA FOR SPECIAL ACCESS
From NECA Rate of Return Reports (FCC 492)

Period Date of Report	1/95 to 12/96 9/30/1997	1/03 to 12/03 3/31/2004	Calculations
1 Total Revenues	\$99,167	\$314,899	
2 Total Expenses and Taxes	\$86,431	\$260,945	
3 Operating Income (Net Return)	\$12,736	\$53,954	L1 - L2
4 Rate Base (Average Net Investment)	\$55,788	\$315,862	
5 Rate of Return	11.41%	17.08%	L3/L4
6 Marginal Income Tax Rate	39%	39%	
7 Revenue Requirement @ 11.25%	\$99,021	\$284,711	$L1 + (11.25\% - L5) * L8 / (1 - L6)$
8 Revenue Requirement Factor	99.85%	90.41%	L7/L1